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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION | | 1. TRANSMITTAL NUMBER: <div style="text-align: center;">02 - 15</div> | 2. STATE: <div style="text-align: center;">TEXAS</div> |
| | | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |
| TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES | | 4. PROPOSED EFFECTIVE DATE: <div style="text-align: center;">December 1, 2002</div> | |
| 5. TYPE OF PLAN MATERIAL (Circle One): <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT </div> <div style="text-align: center; font-size: small;"> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment) </div> | | | |
| 6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §447.51 | 7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2003 \$ (3,824,495) b. FFY 2004 \$ (9,628,651) | | |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT | | |
| 10. SUBJECT OF AMENDMENT: Amendment 634 adds cost sharing in accordance with 42 CFR 447.51 et seq. | | | |
| 11. GOVERNOR'S REVIEW (Check One): <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL </div> <div style="width: 50%;"> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. </div> </div> | | | |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL: | 16. RETURN TO: Rodger Love Interim State Medicaid Director Post Office Box 13247 Austin, Texas 78711 | | |
| 13. TYPED NAME: Rodger Love | | | |
| 14. TITLE: Interim State Medicaid Director | | | |
| 15. DATE SUBMITTED: November 20, 2002 | | | |
| FOR REGIONAL OFFICE USE ONLY | | | |
| 17. DATE RECEIVED: | 18. DATE APPROVED: | | |
| PLAN APPROVED - ONE COPY ATTACHED | | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: | 20. SIGNATURE OF REGIONAL OFFICIAL: | | |
| 21. TYPED NAME: ANDREW A. FREDRICKSON | 22. TITLE: | | |
| 23. REMARKS: | | | |

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

December 13, 2002

Rodger Love
Interim State Medicaid Director
Post Office Box 13247
Austin, Texas 78711

Dear Mr. Love:

We have reviewed Texas's State Plan Amendment (SPA) 02-15, received in the Dallas Regional Office on October 1, 2002. The amendment implements cost-sharing for non-emergency services and for pharmacy services. Specifically, adult TANF recipients, adult Aged, Blind and Disabled (ABD) recipients and adult caretakers of children in the Medically Needy Program will pay a \$3.00 co-pay for non-emergency services provided in an emergency department. In addition, adult TANF recipients, adult ABD recipients and adult caretakers of children in the Medically Needy Program will pay \$0.50 for each generic prescription and \$3.00 for each brand name prescription. We are pleased to inform you that the amendment is approved, effective December 1, 2002.

A copy of the CMS-179 form, as well as the pages approved for incorporation into the Texas state plan, will be forwarded by the Dallas Regional Office. If you have any questions regarding this amendment, please contact Cindy Pelter at (410) 786-1176.

Sincerely,

/s/

Larry Reed
Co-Director
Pharmacy Team

cc: Andrew Fredrickson, ARA, Dallas Regional Office
Shirley Glaspie, Dallas Regional Office

Attachment to Block 8 & 9 of the HCFA Form 179
Transmittal No. 02-15, Amendment No. 634

Number of the
Plan Section or Attachment

Number of the Superseded
Plan Section or Attachment

Basic Plan

Page 54
Page 55
Page 56
Page 56c
Page 56e

Basic Plan

Page 54 (TN 91-34)
Page 55 (TN 91-34)
Page 56 (TN 91-34)
Page 56c (TN 91-34)
Page 56e (TN 91-34)

Attachment 4.18-A

Page 1
Page 2
Page 3

Attachment 4.18-A

Page 1 (TN 92-43)
Page 2 (TN 85-7)
Page 3 (TN 85-7)

Attachment 4.18-C

Page 1
Page 2
Page 3

Attachment 4.18-C

Page 1 (TN 85-7)
Page 2 (TN 85-7)
Page 3 (TN 85-7)

Attachment to Block 7 of the HCFA Form 179
Transmittal No. 02-15, Amendment No. 634

This amendment adds cost sharing using the following methodology in compliance with 42 CFR 447.51 et seq. For FY 03, (beginning in December 2002) savings are derived from changes in ER utilization. The figures are based on a minimum projected 1% reduction in emergency room use. Additional savings are derived from a minimum projected 1% redirection to generics or therapeutic alternatives. Beginning in June 2003, pharmacy savings will also be derived from reductions in reimbursement. Pharmacy reimbursement reductions will be delayed to June until providers and recipients adapt to the copay requirement and collection rates become stable.

| | Total Fiscal Impact | Federal | State |
|---------|---------------------|----------------|----------------|
| FY 2003 | \$ (6,361,720) | \$ (3,824,495) | \$ (2,537,225) |
| FY 2004 | \$ (16,070,040) | \$ (9,628,651) | \$ (6,441,389) |

Projected budget savings are attached.

Revision: HCFA-PM-91-4
August 1991

(BPD)

OMB No.: 0938-

State/Territory: Texas

Citation

4.18 Recipient Cost Sharing and Similar Charges

42 CFR 447.51
through 477.58

*(a) Unless a waiver under 42 CFR 431.55(g) applies, deductibles, coinsurance rates, and copayments do not exceed the maximum allowable charges under 42 CFR 447.54.

1916(a) and (b)
of the Act

(b) Except as specified in items 4.18(b)(4), (5), and (6) below, with respect to individuals covered as categorically needy or as qualified Medicare beneficiaries (as defined in section 1905(p)(1) of the Act) under the plan:

- (1) No enrollment fee, premium, or similar charge is imposed under the plan.
- (2) No deductible, coinsurance, copayment, or similar charge is imposed under the plan for the following:

(i) Services to individuals under age 18, or under--

- ☒ Age 19
☐ Age 20
☐ Age 21

Reasonable categories of individuals who are age 18 or older, but under age 21, to whom charges apply are listed below, if applicable.

(ii) Services to pregnant women related to the pregnancy of any other medical condition that may complicate the pregnancy.

| | |
|------------------------------|---|
| STATE <u>Texas</u> | |
| DATE RECD <u>10-1-02</u> | A |
| DATE APPROVD <u>12-13-02</u> | |
| DATE EFF <u>12-1-02</u> | |
| HCFA 179 <u>TX 02-15</u> | |

* No cost sharing or similar charges are imposed under the State Plan for institutionalized individuals.

SUPERSEDES: TN- 91-34

TN No. 02-15

Supersedes TN No. 91-34 Approval Date 12-13-02 Effective Date 12-1-02

HCFA ID: 7982E

Revision: HCFA-PM-91-4
August 1991

(BPD)

OMB No.: 0938-

State/Territory: Texas

Citation

*4.18(b)(2) (Continued)

42 CFR 447.51
through 477.58

- (iii) All services furnished to pregnant women.
☐ Not applicable. Charges apply for services to pregnant women unrelated to the pregnancy.
- (iv) Services furnished to any individual who is an inpatient in a hospital, long-term care facility, or other medical institution, if the individual is required, as a condition of receiving services in the institution, to spend for medical care costs all but a minimal amount of his or her income required for personal needs.
- (v) Emergency services if the services meet the requirements in 42 CFR 447.53(b)(4).
- (vi) Family planning services and supplies furnished to individuals of childbearing age.
- (vii) Emergency services furnished by a health maintenance organization in which the individual is enrolled.
- (viii) Services furnished to an individual receiving hospice care, as defined in section 1905(o) of the Act.

1916 of the Act,
P.L. 99-272,
(Section 9505)

* No cost sharing or similar charges are imposed under the State Plan for institutionalized individuals.

SUPERSEDES: TN- 91-34

| | |
|------------|-----------------|
| STATE | <u>Texas</u> |
| DATE REC'D | <u>10-1-02</u> |
| DATE APP'D | <u>12-13-02</u> |
| DATE EFF | <u>12-1-02</u> |
| HCFA 179 | <u>02-15</u> |

TN No. 02-15

Supersedes TN No. 91-34 Approval Date 12-13-02 Effective Date 12-1-02

HCFA ID: 7982E

Revision: HCFA-PM-91-4
August 1991

(BPD)

OMB No.: 0938-

State/Territory: Texas

Citation

4.18(b) (Continued)

42 CFR 447.51
through 447.58

- (3) Unless a waiver under 42 CFR 431.55(g) applies, nominal deductible, coinsurance, copayment, or similar charges are imposed for services that are not excluded from such charges under item (b)(2) above.

☐ Not applicable. No such charges are imposed.

(i) For any service, no more than one type of charge is imposed.

(ii) Charges apply to services furnished to the following age groups:

☐ 18 or older

☒ 19 or older

☐ 20 or older

☐ 21 or older

☐ Charges apply to services furnished to the following reasonable categories of individuals listed below who are 18 years of age or older but under age 21.

SUPERSEDES: TN- 91-34

| | |
|----------------------------|---|
| STATE <u>Texas</u> | A |
| DATE REC'D <u>10-1-02</u> | |
| DATE APP'D <u>12-13-02</u> | |
| DATE EFF <u>12-1-02</u> | |
| HCFA 179 <u>02-15</u> | |

TN No. 02-15

Supersedes TN No. 91-34 Approval Date 12-13-02 Effective Date 12-1-02

HCFA ID: 7982E

Revision: HCFA-PM-91-4
August 1991

(BPD)

OMB No.: 0938-

State/Territory: Texas

Citation

4.18(c) ☒ Individuals are covered as medically needy under the plan.

42 CFR 447.51
through 447.58

- (1) ☐ An enrollment fee, premium or similar charge is imposed. ATTACHMENT 4.18-B specifies the amount of and liability period for such charges subject to the maximum allowable charges in 42 CFR 447.52(b) and defines the State's policy regarding the effect on recipients of non-payment of the enrollment fee, premium, or similar charge.

447.51 through
447.58

- (2) No deductible, coinsurance, copayment, or similar charge is imposed under the plan for the following:

- (i) Services to individuals under age 18, or under --

☒ Age 19

☐ Age 20

☐ Age 21

Reasonable categories of individuals who are age 18, but under age 21, to whom charges apply are listed below, if applicable:

SUPERSEDES: TN- 91-34

TN. No. 02-15

| | | |
|------------|-----------------|---|
| STATE | <u>Texas</u> | A |
| DATE REC'D | <u>10-1-02</u> | |
| DATE APP'D | <u>12-13-02</u> | |
| DATE EFF | <u>12-1-02</u> | |
| HCFA 179 | <u>02-15</u> | |

Supersedes TN No. 91-34 Approval Date 12-13-02 Effective Date 12-1-02